

Find Your Competitive Edge

Market Research

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Presentation Overview

- Introduction
- What is Important to research
- Tools (Business Model Canvas)
- How to ask questions



About Me



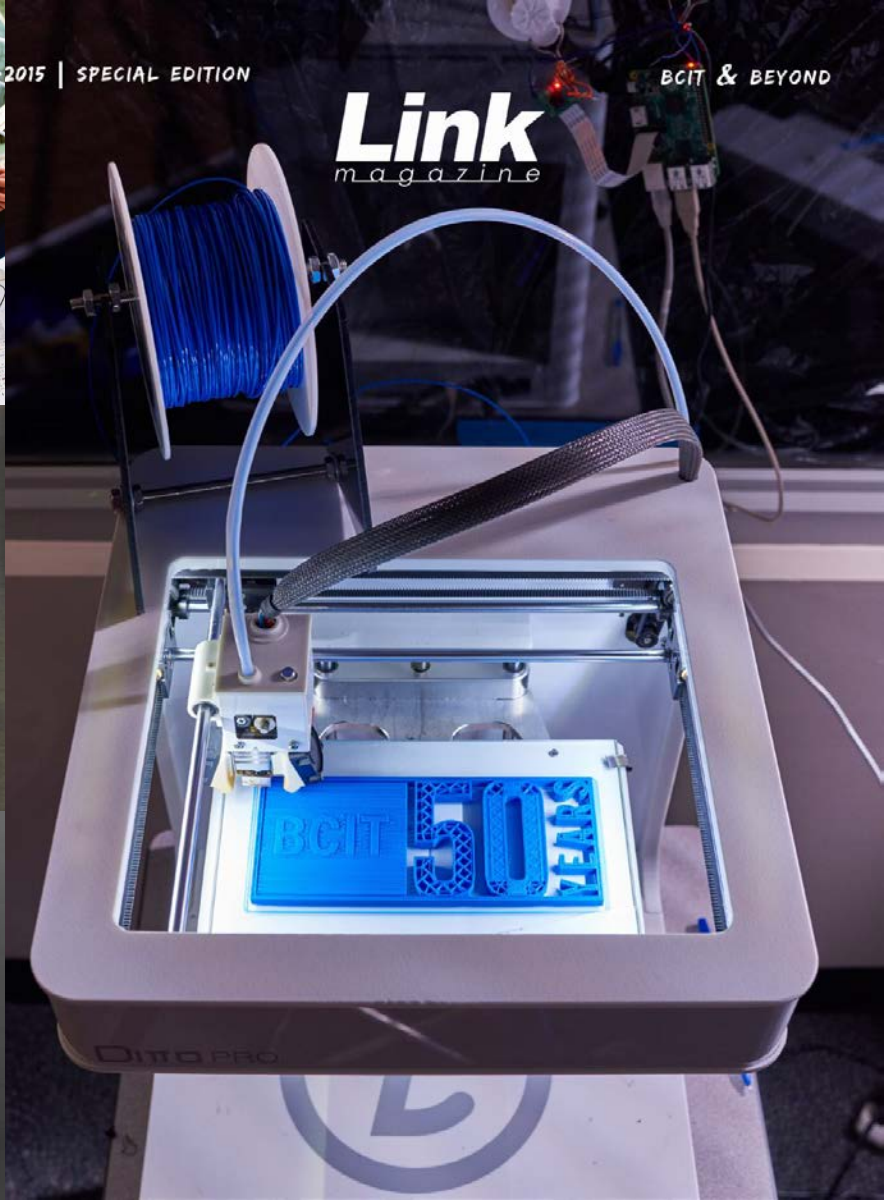


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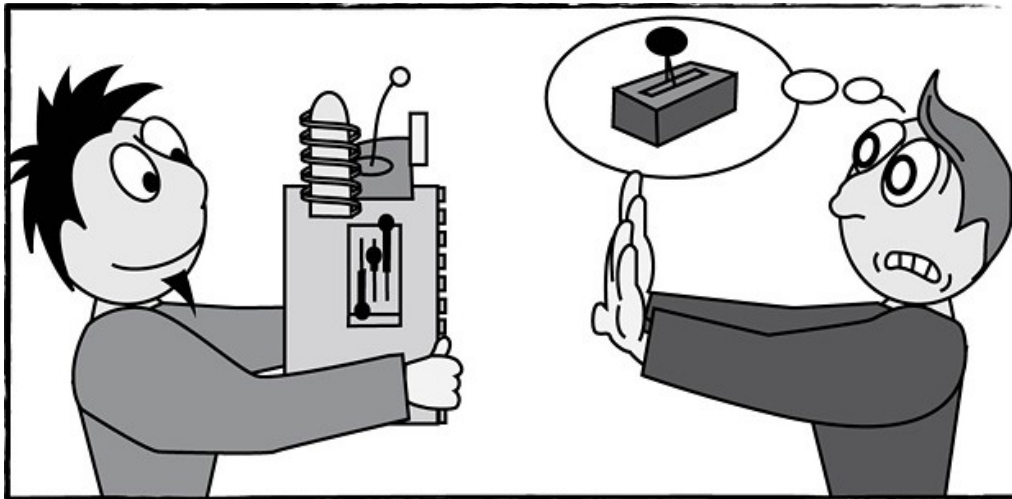
Link

magazine



Technology

Customer



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Don't force your technology on the customer, find out what they want.

Biggest Market Research Mistakes

1. Not Knowing What You're Looking For
2. Poor Choice of Reference Materials
3. Researching the Wrong Group
4. Relying on One Set of Data
5. Your Family and Friends CAN'T be your Focus Group
6. Understanding Your Own Bias

Business Model Canvas: **WHO? WHAT? WHY?**

Business Model Generation via “Canvas”

1. Value Proposition + Customer Segments
3. Channels
4. Customer Relationships
5. Revenue Streams
6. Cost Structures
7. Key Resources
8. Key Partnerships
9. Key Activities

**“The business model ontology:
A proposition in a design science approach.”**

Alexander

Osterwalder, 2004












The Business Model Canvas

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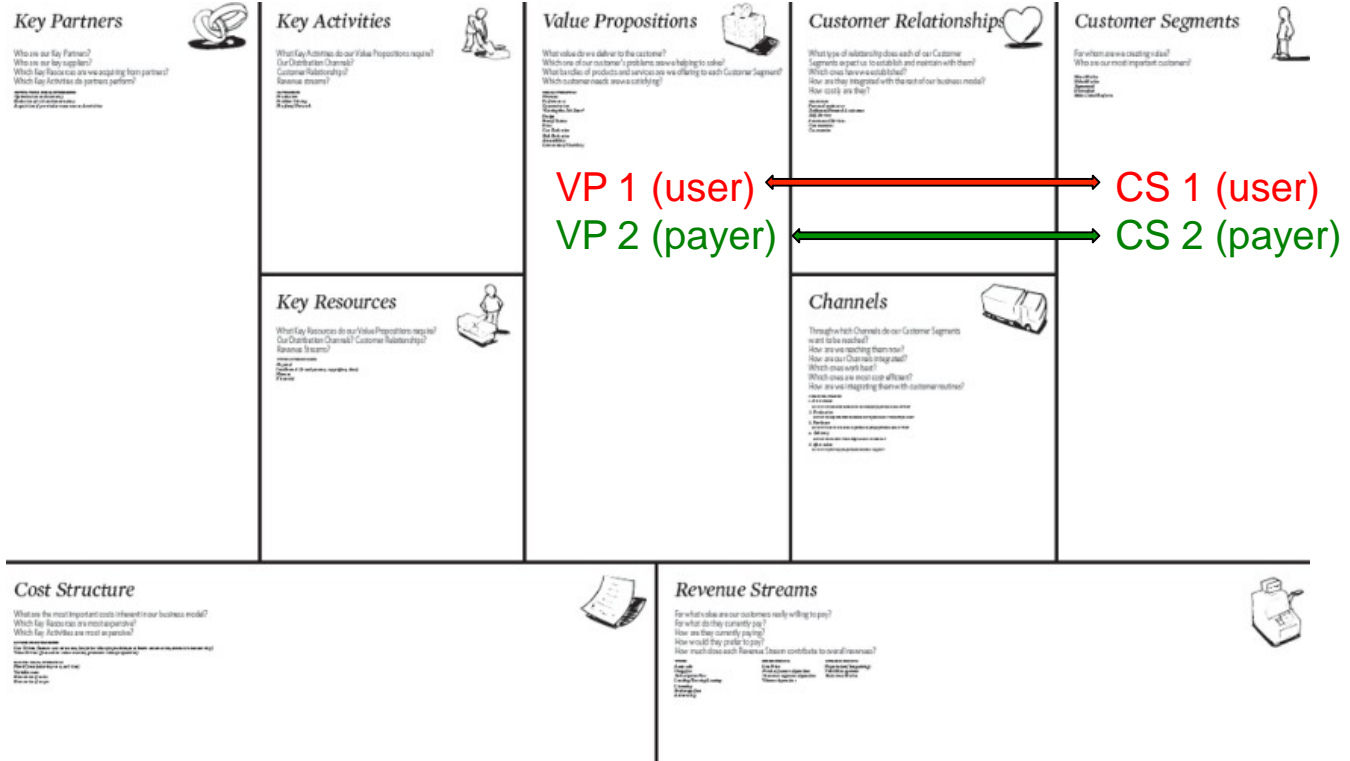
Operations

<p>Key Partners </p> <p>Who are my partners? Who do I rely on? Who are my suppliers? Who do I want to be my suppliers? Who do I want to be my distributors?</p>	<p>Key Activities </p> <p>What key activities do my Value Proposition require? What must I do? What must I be good at? What must I know? What must I have access to?</p>	<p>Value Propositions </p> <p>What do our customers really value? What do we offer them? What do we do better at? What do we offer that our competitors do not? What do we offer that our competitors do better at?</p>	<p>Customer Relationships </p> <p>What type of relationship do we want with customers? How do we acquire our customers? How do we retain our customers? How do we increase our customer loyalty? How do we sell our product?</p>	<p>Customer Segments </p> <p>Who are our most important customers? Who are our target customers? Who are our non-target customers? Who are our competitors' target customers?</p>
	<p>Key Resources </p> <p>What key resources do my Value Proposition require? What must I have? What must I be good at? What must I know? What must I have access to?</p>		<p>Channels </p> <p>Through what channels do our Customer Segments acquire our products? How do we reach our customers? How do we reach our target customers? How do we reach our non-target customers? How do we reach our competitors' target customers? How do we reach our competitors' non-target customers?</p>	
<p>Cost Structure </p> <p>What are the most important costs in our business model? What are our fixed costs? What are our variable costs? What are our semi-variable costs? What are our discretionary costs? What are our sunk costs?</p>		<p>Revenue Streams </p> <p>For what value do our customers really pay us? How do we capture value? How do we deliver value? How do we create value? How do we capture value? How do we deliver value? How do we create value?</p>		



Many companies, business schools use. 5M+

Business Model Canvas

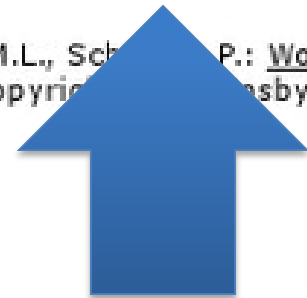


Greater the pain, greater the potential value

Wong-Baker FACES Pain Rating Scale



From Wong D.L., Hockenberry-Eaton M., Wilson D., Winkelstein M.L., Sch... P.: Wong's Essentials of Pediatric Nursing, ed. 6, St. Louis, 2001, p. 1301. Copyright... by, Inc. Reprinted by permission.



Customer Segments

Millennials age

24-35

HOW MANY IN THE U.S. POPULATION?


16.5 MILLION

WHY THEY'RE IMPORTANT:

- Educated and in-the-know about the latest products.
- Tech-savvy and helpful.
- Join online communities to share product expertise with fellow consumers.
- Active on social networks.

HOW CAN YOU NURTURE A RELATIONSHIP WITH THEM?

- Incentivize with online badges and other tangible rewards.
- Leverage their desire to be perceived as helpful.




26%

Fashionista Professional

WHO ARE THEY?

Female professionals age

25-34

HOW MANY IN THE U.S. POPULATION?

47.2 MILLION

WHY THEY'RE IMPORTANT:

TRAITS:

- Have discretionary income and no children to spend it on.
- Desire a deep, meaningful relationship with brands.
- More than willing to provide feedback and advocate for a product or service they like.
- Present on: Facebook, YouTube, LinkedIn, Twitter and Google+

HOW CAN YOU NURTURE A RELATIONSHIP WITH THEM?

- Provide special offers and promotions.
- Create active online communities, strong social linkages, and share with...

Bargain-Hunting Mamas

BEST REPRESENTED BY:

Women, often mothers, age

35-44

HOW MANY IN THE U.S. POPULATION?

24.6 MILLION

TRAITS:

- Responsible for household shopping.
- Value-driven buyers.

HOW CAN YOU NURTURE A RELATIONSHIP WITH THEM?

Provide special offers and promotions, and facilitate interaction with other mamas like them.

WHY THEY'RE IMPORTANT:

These mamas are eager to participate in an online community to research topics, share their knowledge, and receive offers and promotions. Incentivize them with coupons, and they will bring tremendous value to your community and brand.



- Exercise: Your value proposition:
 - What is your customer's pain?
 - What is your solution?
 - Why is it better than your customer's
current (or alternative) solution?

Revenue Streams

Types	Example
Asset sale	Sell a book, circuit board, music
Usage fee	Minutes used on a phone
Subscription fees	Club membership, satellite radio
Lend/rent/lease fee	Temporary use – returnable
License fee	Grant use of a patent or copyright
Brokerage fee	'middle-man', credit cards
Advertising	Sell space-time on a website,
Fixed pricing	Feature, volume, location dependent
Dynamic pricing	Auction, Yield (airline seats), negotiated

MOVIE REVENUES

Revenue Streams



For what value are our customers really willing to pay?
For what do they currently pay?
How are they currently paying?
How would they prefer to pay?
How much does each Revenue Stream contribute to overall revenues?

TYPES

Asset sale
Usage fee
Subscription Fees
Lending/Renting/Leasing
Licensing
Brokerage fees
Advertising

FIXED PRICING

List Price
Product feature dependent
Customer segment dependent
Volume dependant

DYNAMIC PRICING

Negotiation (bargaining)
Yield Management
Real-time-Market

(a) % of Ticket Sales
(b) licensing for merchandise

What should you research?

How does your customer pay for their current solution?

How much does your customer pay for their current solution? (do they have a limit?)

How would your customer **prefer** to pay?

How much **will** they pay?

How do you prove it?



Step 1. Scientific method + Customer Discovery

Hypothesis:

Our customers require live support 24 hours/day, 7 days per week.

Experiment:

Live call customers to see if this is true. Determine to a level of confidence (e.g. $p=0.01$)

Customer Discovery:

What level of support would you like? What else would you like?

Bronze, Silver, Gold levels of support

Create a list of **5** people you believe are your users and/or paying customers and talk to them **(on the phone)**.

You are seeking (a) insights, (b) new actions.

Example questions (DO NOT SELL!):

- Is 'X' a problem for you?
- How do you solve 'X' now?
- What is your cost of the current solution?
- If someone provided new *Value Proposition* 'Y', would you use it?
- Who else should I talk to?

Key Resources: required your business to succeed

- Physical: building, equipment, servers, etc.
- Intellectual: Customer databases, 'brand awareness', patents, trademarks, secrets, etc.
- Human: certifications, experience, connections
- Financial: LOC, cash, share-pool

Research

Primary Research (Expensive)

Interviews, Surveys

Secondary Research (Cheap)

Internet, Articles, Patents

Secondary Research First!

BCIT Databases:

Business Source Complete (internal and external information)

Prizm (profile the target market)

Print Measurement Bureau (demographic information)

Statistics Canada (buying behaviours)

Census Canada (psychographic information)

Euromonitor (industry trends)

Industry reports and analyses (competitive landscape)

List of top 5 potential competitors (competitive landscape)

List of comparable medical device manufacturers (competitive landscape)

List of top 10 industry specific journals (industry trends)

Other Sources

Libraries

Training Events

Tradeshows

Community Agencies ->



Patent Search

<https://patents.google.com>

Look for Claims (what is important)

Look for Citations

Look for “Cited by”

Get a better idea about the technology space and categories

Primary Research

- Phone Calls
- Interviews
- Focus Groups
- Surveys



Example questions (DO NOT SELL!):

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More Information

- <http://www.bcit.ca/appliedresearch/student/businessbasics/>
- <http://www.bcit.ca/innovate/>
- research@bcit.ca

- <https://www.bcitsa.ca/beaboss/>
- <https://www.bcitsa.ca/beaboss/events/>

Upcoming Sessions

- Feb 16 Money. Get it, Keep it, grow it. (Financial Literacy)
- Mar 10 Plan to Win (Your Business Plan)
- Mar 16 Sell! Sell! Sell! (Perfecting your Pitch)
- Mar 23 Pitch Video Tips and Tricks